GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:3693
ANSWERED ON:09.08.2017
Interconnection Usage Charges
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Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Interconnection Usage Charges (IUC) are imposed on telecom subscribers by various Telecom Service Providers (TSPs) and if so, the details thereof, TSP-wise along with the revenue accrued to the TSPs during each of the last three years on account of IUC, TSP-wise;

(b) whether the IUC in many advanced countries is negligible or zero and if so, the details thereof, country-wise;

(c) whether the Government has issued any consultation paper on IUC and/or proposes to bring down the IUC to zero level so as to give cheaper call rates to TSPs' subscribers and if so, the details in this regard and the time by which the said charges are likely to be reduced along with the steps taken by the Government in this reagrd;

(d) whether many TSPs have urged the Government to increase the IUC and if so, the details thereof and the reasons given by each of them in this regard along with the reaction of the Government thereto; and

(e) the likely impact of the said increase in the IUC across different economic strata of the society especially the lower economic strata?

Answer

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a) to (e) No, Madam. The Interconnection Usage Charge (IUC) is a charge applicable for use of point of interconnection between the operators and is governed by the Interconnection Usage Charge Regulation issued by Telecom Regulatory Authority of India (TRAI) from time to time.
The details of mobile termination charges in various countries are annexed (Annexure).
In April, 2015, a service providers association, inter-alia, requested TRAI to review the Interconnection Usage Charges and sought for an increase in the termination charges. Subsequently, some of the TSPs have demanded increase in termination charges on account of increased cost of setting up network infrastructure as well as asymmetric traffic.
On 5th August, 2016, TRAI has initiated a consultation process by issuing a consultation paper on "Review of Interconnection Usage Charges" with a focus on review of domestic termination charges, international settlement rates and international termination charges in the country. TRAI has received comments/ counter comments from the stake holders and held Open House Discussions on the issues on 20thJuly 2017 before finalizing its decision. The TRAI is seized of the matter.
The current market competition will ensure lowest price to the customers and there may not be any perceived impact on the end customer as the IUC is an internal settlement between operators.

Annexure
As per the information published by TRAI in its consultation papers No. 17/2016 on "Review of Interconnection Usage Charges" dated 05th August, 2016,the details of mobile termination charges in various countries are as below:
<pre>
S. No. Name of Country Mobile Termination Charges per minute Date of Effect
1. Australia AUD 0.017 August, 2015
2. Norway NOK 0.065 January, 2017
3. Portugal 0.85 Eurocents August, 2015
4. South Africa R 0.13 October, 2016
5. Saudi Arabia SAR 0.15 February, 2015
6. United Kingdom 0.477 Europence April, 2017
7. OECD Countries (Average) USD 0.0197 November, 2014
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Where −
AUD - Australian Dollar
NOK - Norwegian Krone
R - South African Rand
SAR - Saudi Arabia Riyal
USD - United States Dollar
OECD - Organization for Economic Cooperation and Development

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